

TENNANT CO  
Form 10-Q  
April 30, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended March 31, 2019

OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-16191

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TENNANT COMPANY

(Exact name of registrant as specified in its charter)

Minnesota

41-0572550

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

701 North Lilac Drive

P.O. Box 1452

Minneapolis, Minnesota 55440

(Address of principal executive offices)

(Zip Code)

(763) 540-1200

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 19, 2019, there were 18,164,119 shares of Common Stock outstanding.

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## TENNANT COMPANY

## CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

	Three Months Ended March 31	
(In millions, except shares and per share data)	2019	2018
Net Sales	\$262.5	\$ 272.8
Cost of Sales	154.3	163.7
Gross Profit	108.2	109.1
Operating Expense:		
Research and Development Expense	7.2	8.0
Selling and Administrative Expense	90.2	90.7
Total Operating Expense	97.4	98.7
Profit from Operations	10.8	10.4
Other Income (Expense):		
Interest Income	0.8	0.7
Interest Expense	(5.0 )	(5.7 )
Net Foreign Currency Transaction Gain (Loss)	0.2	(0.7 )
Other Expense, Net	(0.2 )	(0.3 )
Total Other Expense, Net	(4.2 )	(6.0 )
Profit Before Income Taxes	6.6	4.4
Income Tax Expense	1.2	1.1
Net Earnings Including Noncontrolling Interest	5.4	3.3
Net Earnings Attributable to Tennant Company	\$5.4	\$ 3.3
Net Earnings Attributable to Tennant Company per Share:		
Basic	\$0.30	\$ 0.18
Diluted	\$0.29	\$ 0.18
Weighted Average Shares Outstanding:		
Basic	18,042,467	17,790,989
Diluted	18,345,211	18,245,359
Cash Dividend Declared per Common Share	\$0.22	\$ 0.21

See accompanying Notes to the Consolidated Financial Statements.

TENNANT COMPANY  
CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended	
(In millions)	March 31 2019	2018
Net Earnings Including Noncontrolling Interest	\$5.4	\$3.3
Other Comprehensive (Loss) Income:		
Foreign currency translation adjustments	(2.3 )	8.4